



August 30, 2016

Andrea Stupka
Procurement Officer (66)
Maricopa County
320 W. Lincoln Street
Phoenix, AZ 85003

Dear Andrea,

Thank you for your continued participation with Arizona Health-e Connection (AzHeC) for statewide health information exchange (HIE) services.

Your Network agreement calls for the AzHeC Board of Directors to set participation fees for the following calendar year and to notify Network Participants of these fees by September 1st. On August 29, 2016, the AzHeC Board determined the Hospital Portion, the Health Plan Portion, and the Other Provider Portion of AzHeC's Operating Expenses for 2017. This letter is the required announcement of your organization's 2017 fees for continued participation with AzHeC.

In support of community provider use of statewide HIE services, the AzHeC Board approved an Other Provider Portion of The Network Operating Expenses of \$0 for 2017. Thus, community providers like you have no fee for AzHeC services. Therefore, I am happy to inform you that the following sentence replaces Exhibit B of The Network Services & Funding Agreement and Exhibit C, Section 3 of The Network Participation, Services & Funding Agreement:

- A. As a community provider, Participant's aggregate annual fees in 2017 will be \$0.

We look forward to your continued participation with AzHeC in 2017. If you have any questions, please contact me at melissa.kotrys@azhec.org or (602) 688-7200.

Sincerely,

A handwritten signature in cursive script that reads "Melissa A. Kotrys".

Melissa A. Kotrys, MPH
Chief Executive Officer
Arizona Health-e Connection

HEALTH INFORMATION NETWORK OF ARIZONA PARTICIPATION AGREEMENT

BACKGROUND:

1. HEALTH INFORMATION NETWORK OF ARIZONA ("HINAz") is a non-profit organization providing a secure electronic health information exchange (the "Network"). The HINAz mission is to support the appropriate and secure exchange of electronic health information and the adoption of health information technology, to enable and improve quality of care, contain costs, and support the meaningful use of certified electronic health records.

2. Participant is Maricopa County, Arizona, for and on behalf of the Maricopa County Department of Public Health.

3. Participants in the Network include Data Recipients, Data Suppliers, and Funders, as defined below. A Participant may be a Data Recipient, a Data Supplier, and a Funder. Participant is *[check all that are applicable]*:

DATA RECIPIENT. Participant is a legal entity whose Authorized Users will receive Data using the Network.

DATA SUPPLIER. Participant is an entity, such as a hospital, physician, clinical laboratory, pharmacy claims aggregation company, governmental agency or other organization that makes Data available for access through the Network.

FUNDER. Participant is an entity that has accepted the obligation to fund HINAz, as provided in Exhibit C.

AGREEMENT:

1.0 DEFINITIONS

Authorized User means an individual authorized by a Participant under this Agreement to use the Network to access or receive Data for a Permitted Use.

Axolotl means the software and services provider from which HINAz has obtained, for both itself and the Participant, the right to use the Network. Axolotl will also provide HINAz with certain Services to support the use of the Network.

Data means any information transmitted to the Network by Data Suppliers, including but not limited to Protected Health Information (PHI).

Data Exchange means electronically providing, receiving, or accessing Data through the Network.

Data Recipient means the legal entity that has entered into a HINAz Participation Agreement and whose Authorized Users will access or receive Data using the Network.

Data Supplier means an entity providing healthcare services such as a hospital, skilled nursing facility, long term care facility, behavioral health facility, physician, group practice, clinical laboratory or other ancillary service provider, pharmacy claims aggregation company, health plan, governmental agency or other organization that makes Data available for access through the Network and has entered into a HINAz Participation Agreement.

Funder means an entity that has accepted the obligation to fund HINAz, as provided in Exhibit C.

Online Technology means Services provided to HINAz Participants as summarized in Exhibit B, Section 2.

Patient means an individual who has received or will receive treatment or health care services from a Health Care Provider. For purposes of individual rights set forth in the HIPAA Business Associate Agreement at Exhibit A, the term "Patient" or "Individual" shall include, with respect to individuals under legal disability, the parent(s), guardian or other legally authorized representative of such person.

Participant means a Data Recipient, Data Supplier or Funder that has entered into a HINAz Participation Agreement, including the Participant named as a party to this Agreement.

Permitted Use includes access to the Network for the purpose of treatment, care coordination, case or care management, transition of care planning, or other purposes approved by the HINAz Board of Directors after following the stakeholder input process set forth in HINAz Policies. Any such Permitted Use is subject, however, to a patient's right under state or federal law to opt-out of permitting access to their data.

Services means the administrative, operational, and information system support services required to operate the Network, which services support the treatment of Patients or the health care operations of the Participant.

Other Definitions: Unless otherwise defined in this Agreement, all capitalized terms in this Agreement will have the same meaning as provided under the Health Insurance Portability and Accountability Act (HIPAA) Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subpart E (the Privacy Rule), the HIPAA Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C (the Security Rule), and the HIPAA Breach Notification Regulations, 45 C.F.R. Part 160 and Part 164, Subpart D (the Breach Notification Rule), all as amended from time to time.

2.0 HINAz OBLIGATIONS

2.1 Services Provided by HINAz.

- (a) Network Operation and Services. HINAz will maintain and operate the Network and provide the Services (whether through its own resources or those of

subcontractors) as described in Exhibit B. HINAz is responsible for the hardware, operating system(s), applications, and interfaces necessary to exchange clinical and administrative information with Participant's designated systems over a secure encrypted network connection (VPN) provided by the Participant. Participant is responsible for Participant's hardware, operating system(s), networks, applications and interfaces to permit their designated systems to connect to the Online Technology by way of the Participant's VPN. HINAz's technology solution anticipates the use of virtual edgeservices. HINAz will be responsible for the hardware, operating system(s), and applications to exchange clinical and administrative information to the virtual edgeservice. Participant may be charged a one-time fee for the setup and implementation of the necessary interfaces. If Participant chooses to locate an edge server at the Participant's facility instead of the virtual edgeservice, Participant is also responsible for purchasing, installing and configuring the hardware and operating system; for operational support of the edge server; and for providing a secure encrypted connection (VPN) from the edge server to the Online Technology. HINAz is responsible for the applications and interfaces resident on the edge server that connect to the Participant's designated systems and the connection between the edge server and the Online Technology over the Participant's VPN.

- (b) Alternatively, Participant (especially data suppliers) may opt to use a HINAz repository to store and update clinical data. HINAz will provide this capability and will be responsible for the hardware, maintenance, and upkeep of the repository including security. Participant may be charged a one-time fee for establishing the interfaces between Participant's system(s) and the repository.
- (c) Subcontractors. HINAz may contract with subcontractors to maintain and operate the Network or to provide the Services. HINAz will require that its subcontractors comply with the applicable terms and conditions of this Agreement and applicable laws and regulations. HINAz will be responsible for the performance of its subcontractors when performing the Services under this Agreement, as if HINAz had directly performed such Services.
- (d) HINAz shall ensure that the Online Technology and all Services comply with standards related to electronic health information exchange as established for or by the National Health Information Network ("NHIN"), the Centers for Medicare and Medicaid Services ("CMS"), or another governmental entity with authority to promulgate such standards.

2.2 HINAz Records of Data Exchange.

(a) HINAz Records. HINAz will maintain records relating to the operation of the Network, including records of the date, time and records that are received, transmitted or accessed by a Data Recipient or an Authorized User in each Data Exchange as set forth in its Policies as described in Section 2.3. HINAz will not be responsible for maintaining records of the content of any Data Exchange or inspecting the content of Data.

(b) Data Storage and Maintenance. If HINAz maintains Data (for example, for a continuity of care record or for storage of certain demographic, imaging, laboratory or pharmaceutical information), HINAz's storage and maintenance of such Data will be governed by this Agreement.

(c) HINAz Use and Disclosure of Data and Information Related to Data Exchanges. HINAz will not disclose Data or information relating to Data Exchanges to third parties except: (i) as provided by this Agreement; (ii) as required by law or subpoena; or (iii) as directed in writing by the Data Supplier that provided the Data.

(i) If HINAz or its sub-contractor receives a court order or subpoena for Data, or request for Data by a government entity pursuant to law, HINAz, to the extent permitted by law, will provide notice to the Data Supplier that provided the Data, if known, as soon as possible but not less than 5 calendar days from receipt of the request, so that the Data Supplier has an opportunity to object to the court order, subpoena or governmental request. HINAz will not be responsible for contesting or objecting to any such subpoena or request, but will reasonably assist a Data Supplier in its efforts to do so at no cost to HINAz.

(ii) HINAz and its sub-contractor may access Data and information relating to Data Exchanges only for the operation and maintenance of the Network, testing, performance verification, and investigations and actions relating to compliance with this Agreement, HINAz Policies and applicable laws and regulations, and as permitted by this Agreement.

2.3 Policies.

(a) Establishment of Policies. The Board of Directors of HINAz (or its delegates) will establish policies ("Policies") that will govern HINAz's and Participant's activity related to the Network, and will make these Policies available on the HINAz website. The Policies will be reasonable and intended to support appropriate Data Exchange as contemplated by this Agreement. HINAz will develop and maintain a process for consultation with Participants regarding such Policies, and encourages Participant to provide input into the development of Policies through the Board of Directors or the working groups and committees to which such efforts are delegated by the Board. These Policies govern HINAz and Participant use of the Network and the use, submission, transfer, access, privacy, security, accuracy of Data, and the standards for vendor contracting and quality control, and policies and procedures with regard to patient consent. Participant will have no ownership or other property rights in the Policies or other materials or services provided by HINAz.

(b) Changes to Policies. HINAz may change or amend the Policies from time to time at its discretion, after the consultation process referenced in Section 2.3(a) above, and will post notice of proposed and final changes on the HINAz website. HINAz will provide Participant notice of such changes to Policies by electronic mail at the contact noted in the signature block or such other contact as may be designated by Participant in writing from time to time. Any changes will be effective 60 days following adoption by HINAz, unless HINAz determines that an earlier effective date is required to address a legal requirement, a concern relating to the privacy or security of Data or an emergency situation. HINAz also may postpone the effective date of a change if the HINAz determines, in its sole discretion, that additional implementation time is required.

(c) Security. HINAz will implement Policies that are reasonable and appropriate to assure that all Data Exchanges are for a Permitted Use, to protect Data from improper access, tampering or unauthorized disclosure and to secure compliance with applicable laws and regulations. Such Policies will include administrative procedures, physical security measures, and technical security services that are reasonably necessary to assure the confidentiality, integrity, and the availability of the Data. HINAz and Participant will comply with all security Policies established by HINAz. If a Participant's security requirements are more stringent than HINAz Policies, HINAz will cooperate with such Participant to accommodate the Participant's more stringent security requirements, to the extent feasible. Throughout the term of the Agreement, HINAz will (or will assure that its subcontractors):

- i. Implement and maintain access controls to the Network, such that Data will be reasonably secured from intrusion, corruption, loss of integrity or inappropriate access;
- ii. Have the capability to report access to Data through the Network at the patient-level, at a level of detail to be reasonably determined by HINAz;
- iii. Support the provision of unique user identification and passwords to Authorized Users;
- iv. Manage the Network in accordance with the National Institute for Standards and Technology's Security Guidelines, and will employ at least industry standard anti-virus software;
- v. Encrypt Web-based Data transmissions sent through the Network, as appropriate using encrypted virtual private network ("VPN") technology or other industry-standard encryption techniques in compliance with guidance issued by the Secretary of United States Department of Health and Human Services in 74 Fed. Reg. 19006 (2009);
- vi. Logically isolate each of the Participants' Data;
- vii. Implement, maintain, test and, as appropriate, trigger disaster avoidance and recovery procedures in accordance with a disaster avoidance and recovery and continuity of operations plan;
- viii. Provide the Participant the right to inspect and audit compliance with these requirements, at the Participant's expense; and
- ix. Ensure the security and privacy of the Data pertaining to Patients who opt out of participation in the Exchange.

(d) Investigations, Corrections, Reports. HINAz will adopt Policies for the investigation, resolution and reporting of Patient complaints, security breaches or other concerns relating to compliance with this Agreement, HINAz Policies and applicable laws and regulations ("Compliance Concerns"). HINAz will provide notice to applicable Participants, pursuant to HINAz Policies and as required by law or regulation, of any Compliance Concern related to Participant's Authorized Users' use of the Network, Data provided by such Participant, or a Compliance Concern that may lead to a claim, audit, investigation or cause of action against Participant, and Participant will cooperate with HINAz in its investigation of any Compliance Concern and corrective action.

(e) Offshoring. HINAz will ensure that it and its employees and subcontractors will not transmit Data outside the jurisdiction of the United States of America. Any breach of the foregoing shall constitute a material breach of this Agreement. This section will not prohibit HINAz from releasing test Data to employees or contractors outside the United States, as long as HINAz requires such employees or contractors to destroy such Data upon completion of testing. This section also will not prohibit Participant from allowing its Authorized Users to access the Network for a Permitted Purpose while outside the United States.

2.4 Obligations to Comply with Law. HINAz will comply with all federal, state and local laws applicable to HINAz. This includes, but is not limited to, Title XII, Subtitle D of the Health Information Technology for Economic and Clinical Health (HITECH) Act, codified at 42 U.S.C. §§ 17921-17954, and regulations issued by the Department of Health and Human Services (HHS) to implement the HITECH Act, which are applicable to Business Associates, as of the date by which Business Associates are required to comply with such referenced statutes and HHS regulations. HINAz obligations as a Business Associate are set forth in Exhibit A.

3.0 DATA RECIPIENT OBLIGATIONS.

The obligations of this Section 3.0 apply to a Participant that is a "Data Recipient." These obligations do not apply to a Participant that is only a "Data Supplier" or "Funder," as those categories of participants will not have access to the Data in the Network.

3.1 Data Exchange. Data Recipient agrees that its participation in any Data Exchange, and use of the Network by Data Recipient and its Authorized Users, will comply with the terms of this Agreement, HINAz Policies, and applicable laws and regulations, including but not limited to those governing the use, privacy, and security of Data received through the Network or, if applicable, stored by the Network.

3.2 Permitted Use. Data Recipient and its Authorized Users will use the Network only for a Permitted Use.

3.3 Authorized Users. Data Recipient will identify and authenticate its Authorized Users, in accordance with HINAz's Policies. Authorized Users will include only those persons who require access to the Network to facilitate Data Recipient's use of the Data for a Permitted Use. Participant is responsible for its Authorized Users complying with the terms and conditions of this Agreement, HINAz Policies and applicable laws and regulations. Data Recipient will assure that each Authorized User has received training on the requirements of this Agreement and HINAz Policies that are applicable to Authorized Users, before Data Recipient permits such Authorized User to access the Network.

3.4 System Operations. Data Recipient, at its own expense, will provide and maintain the hardware, operating system(s), applications and interfaces required of a Participant in Section 2.1 and as set forth in HINAz Policies.

3.5 Print Capability. The Network will allow Providers to print the information viewed by Authorized Users (whether through Print Screen or similar functionality).

3.6 Obligations to Comply with Law. Data Recipient will comply with all applicable federal, state and local laws related to use of the Network and the Data.

4.0 DATA SUPPLIER OBLIGATIONS.

The obligations of this Section 4.0 apply to a Participant that is a "Data Supplier." These obligations do not apply to a Participant that is only a "Data Recipient" or "Funder."

4.1 Data Exchange and Data Submission. By engaging in Data Exchange, Data Supplier agrees that: (a) it will supply Data in compliance with this Agreement, HINAZ Policies, and applicable laws and regulations; and (b) the Data provided or transferred by Data Supplier can be related to and identified with source records maintained by Data Supplier. Data Supplier will make Data available for the Network in accordance with the scope, format, and specifications set forth in HINAZ Policies.

4.2 Data Status Upon Termination of Data Supplier Participation. If HINAZ stores or maintains Data provided to the Network by Data Supplier, HINAZ will return Data upon termination of Data Supplier's Participation Agreement at the request of Data Supplier, in a form and manner consistent with industry standards, unless HINAZ is required by law to retain the Data.

4.3 System Operations. Data Supplier will provide and maintain the hardware, operating system(s), applications and interfaces required of a Participant in Section 2.1 and as set forth in HINAZ Policies.

4.4 Accuracy. Data Supplier will correct any mistakes or errors discovered in Data it transmits to the Network (such as Data attributed to an incorrect individual or an error in laboratory value) by promptly under the circumstances transmitting the Data to HINAZ as a corrected report or value pursuant to HINAZ Policies. All corrections will be clearly marked as a correction. However, Data Supplier does not warrant the accuracy of the Data provided to the Network.

4.5 Obligations to Comply with Law. Data Supplier will comply with all applicable federal, state and local laws in providing Data to the Network.

5.0 FUNDER OBLIGATIONS.

5.1 Subscription Fees. Funder will pay the Subscription Fees described in Exhibits C, C(a), and C(b). The Subscription Fees for the first quarter will be prorated to the nearest month.

5.2 Timing of Payments. The payments for each quarter will be due on or before the tenth day of the quarter; e.g., the payment for the second quarter 2012 will be due on or before April 10, 2012. Payment due on a legal holiday (when the federal courts are closed) will be due on the next day that is not a legal holiday.

5.3 Change in Subscription Fees. If HINAZ receives grants or other revenue that reduces the need for Funder Subscription Fees, the HINAZ Board of Directors will consider reducing Subscription Fees for Funders, in the discretion of the Board of Directors and as permitted by the grant or revenue source restrictions. The HINAZ Board of Directors may also raise Subscription Fees to meet budgetary need. Such decisions may only be made following a general meeting of and approval by majority of all Participants who will be affected by such a decision. HINAZ will provide at least 60 days advance notice of the increase in Subscription Fees to Funder. Within 60 days of receiving notice of the increase in

Subscription Fees, Funder may terminate this Agreement with no penalty, other than payment for those Subscription Fees that are due on the effective date of the termination.

6.0 COMPLIANCE WITH LAWS; CONFIDENTIALITY

Both HINAz and Participant, and their agents and employees, will comply with the federal and state laws and regulations applicable to this Agreement, including without limitation, laws on the use and disclosure of Data, the security and privacy of Data, Patient consent or authorization for the use and transfer of Data and requirements for Data Exchange (“Applicable Laws”). Participants will assure that their Authorized Users comply with all Applicable Laws. HINAz’s use of Data will be subject to this Agreement and the Business Associate Agreement set forth in Exhibit A.

7.0 PROPRIETARY INFORMATION

Pursuant to this Agreement, each party may have access to information about the other party that: (a) relates to past, present or future business activities, practices, protocols, products, services, information, content, and technical knowledge; and (b) has been identified as confidential (collectively, “Proprietary Information”) by such party. For the purposes of this provision, Proprietary Information will not include Protected Health Information.

7.1 Non-disclosure. The parties will: (a) hold Proprietary Information in strict confidence; (b) not make the Proprietary Information available for any purpose other than as specified in the Agreement or as required by law or subpoena; and (c) take reasonable steps to ensure that the Proprietary Information is not disclosed or distributed by employees, agents or consultants (who will have access to the same only on a “need-to-know” basis) to third parties in violation of this Agreement. If HINAz or Participant receives a request for Proprietary Information, the party receiving the request will provide the other party notice of the request and an opportunity to seek a protective order limiting the nature and scope of the information to be disclosed, and the disclosing party is only permitted to disclose Proprietary Information to the extent required by law.

7.2 Exclusions. Proprietary Information will not include information that: (a) at the time of disclosure, is known or becomes known or available to general public through no act or omission of the receiving party; (b) was in the receiving party’s lawful possession before it was provided to the receiving party by the disclosing party; (c) is disclosed to the receiving party by a third party having the right to make such disclosure; or (d) is independently developed by the receiving party without reference to the disclosing party’s Proprietary Information.

7.3 Equitable Remedies. The parties agree that a breach of this Section will cause the disclosing party substantial and continuing damage, the value of which will be difficult or impossible to ascertain, and other irreparable harm for which the payment of damages alone will be inadequate. Therefore, in addition to any other remedy that the disclosing party may have under this Agreement, at law or in equity, in the event of such a breach or threatened breach by the receiving part of the terms of this Section, the disclosing party will be entitled, after notifying the receiving party in writing of the breach or threatened breach, to seek both temporary and permanent injunctive relief without the need to prove damage or post bond.

7.4 Public Records. Notwithstanding the above provisions, in the event Proprietary Information is requested for public release pursuant to A.R.S. § 39-121 et seq., from a Participant

subject to this statute (“Public Participant”), such Public Participant may release Proprietary Information ten (10) business days after Public Participant has notified the source of the Proprietary Information (“Source”), unless the Source secures a protective order, injunctive relief or other appropriate order from a court of competent jurisdiction enjoining the release of the records. For the purposes of this paragraph, the day of the request for release shall not be counted in the time calculation. Public Participant shall notify Source of any request for such release on the same day of the request for public release or as soon thereafter as practicable. Public Participant shall not, under any circumstances, be responsible for securing a protective order or other relief enjoining the release of Proprietary Information, nor shall Public Participant be in any way financially responsible for any costs associated with securing such an order.

8.0 SOFTWARE LICENSE

8.1 License Grant: HINAz has obtained from Axolotl a non-exclusive, non-transferable, royalty-free license to access and use the Online Technology and any Documentation provided by Axolotl, and the right to permit Participant to have access to the Online Technology and Documentation, during the term of the Hosting Agreement between HINAz-and Axolotl , and any extensions.

8.2 Third Party Software: HINAz has obtained a representation and warranty from Axolotl that Axolotl has the right and ability to permit HINAz and the HINAz Participants to use any Third Party Software that is part of the Online Technology.

8.3 No Sublicensing: Neither HINAz nor HINAz Participants shall sublicense, export, rent, lease, grant a security interest in, or otherwise transfer rights to the Online Technology or its components.

8.2 No Transfer or Modification. Except as permitted under this Agreement, Participant will not sell, rent, sublicense or otherwise share its right to use Software. Participant will not modify, reverse engineer, decompile, disassemble or otherwise attempt to learn the source code, structure or ideas upon which the Software is based.

9.0 ELECTRONIC SIGNATURES

9.1 Signatures and Signed Documents. Participant, at HINAz’s request, will implement for each of its Authorized Users a unique electronic identification consisting of symbols or codes that are to be affixed to or contained in a Data Exchange made by the Authorized User of the Participant (“Electronic Signatures”). Participant agrees, and will require each of its Authorized Users to agree, that any Electronic Signature of such Authorized User affixed to or contained in any Data Exchange will be sufficient to verify that the particular Authorized User originated such Data Exchange. Any properly transmitted Data Exchange made pursuant to this Agreement shall be considered a “writing” or “in writing” and any such Data Exchange containing, or to which there is affixed, an Electronic Signature (“Signed Documents”) shall be deemed for all purposes: (a) to have been “signed;” and (b) to constitute an original when printed from electronic files or records established and maintained in the normal course of business.

9.2 Validity of Signed Documents. Participant will not, and will not permit any Authorized User to, contest the validity or enforceability of Signed Documents under the provisions of any applicable law relating to whether certain agreements are to be in writing or signed by the party to be

bound thereby. Signed Documents, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings will be admissible as between the parties to the same extent and under the same condition as other business records originated and maintained in paper form.

10.0 EFFECTIVE DATE, TERM, AND TERMINATION

10.1 Effective Date. The Effective Date will be the later of the date on which Participant signs the Agreement and the date on which at least eight (8) hospitals (including Participant, if Participant is a hospital) have also signed their corresponding Agreement. As a result, the rights and obligations of the Participant under this Agreement will not take effect until a total of 8 hospitals have signed Participation Agreements. HINAz will provide written notice to Participant specifying the Effective Date.

10.2 Term. The term of this Agreement will begin on the Effective Date and will continue for three years (the "Initial Term"), or until terminated as set forth in this Section 10. The Agreement will automatically renew for additional one year terms (each a "Term") after the Initial Term, unless either party gives notice of termination 60 days before the expiration of the then current Term.

10.3 Termination. This Agreement will terminate under any of the following circumstances:

(a) Violation of Law or Regulation. If either HINAz or Participant determines that its continued participation in this Agreement would cause it to violate any law or regulation applicable to it, or would place it at material risk of suffering any sanction, penalty, or liability, then that party may terminate its participation in this Agreement immediately upon written notice to the other party.

(b) For Cause. If HINAz or Participant determines that the other party or any of its employees, agents or contractors have breached this Agreement, then the non-breaching party may terminate its participation in this Agreement with advance written notice to the breaching party, provided that such notice identifies the breach and such breach is not cured within 30 days of receipt of the notice. HINAz may require any Participant to terminate access rights of any Authorized User if such Authorized User (1) accesses or uses, or attempts to access or use, Data in violation of this Agreement; or (2) accesses or uses the Network in a manner that disrupts, interferes with, or puts at risk the continued efficient operation of the Network. HINAz may terminate the Participant if the Participant refuses to terminate the access rights of an Authorized User as required by this Section.

(c) Without Cause. Subject to the provisions of Section 10.3(g) below, Participant may terminate this Agreement without cause upon 30 days' advance written notice of termination to HINAz.

(d) Suspension or Termination of Vendor's Services. The current vendor providing the Online Technology is Axolotl. HINAz may terminate this Participation Agreement concurrently with the termination or suspension of the contract with Axolotl to provide the Online Technology. HINAz will promptly notify Participant following delivery of any notice to Vendor of termination or suspension of the Hosting Agreement, HINAz will require Vendor to cooperate with the migration of data and services to an alternative vendor upon request.

(e) Suspension of Data. Data Supplier may suspend providing Data to the Network upon notice to HINAz, which notice shall describe the reason for such suspension. Data Supplier will work with HINAz to resolve Data Supplier's reason for Data suspension, with the intent of resuming the

provision of Data as soon as possible. In the event Data Supplier's suspension of data continues for forty-five (45) days HINAz may terminate this Agreement.

(f) Suspension of Access. HINAz or Axolotl may suspend access for a Participant or an Authorized User if necessary to ensure the stability or security of the Network. HINAz shall advise such Participant or Authorized User of such suspension prior to or, if immediate action is required and prevents prior notice, promptly after, such action is taken, and shall cooperate with such Participant or Authorized User to resolve the issues leading to such suspension.

(g) Except in the case of an immediate termination as described in subsection 10.3(a) above, any termination of this Agreement will be effective on the last day of the contract quarter in which the event of termination occurs or a termination notice is received.

10.4 Termination Process and Access to Network and Data. Upon termination of this Agreement by Data Recipient, HINAz will cease providing access to the Network for the Data Recipient and its Authorized Users, and Data Recipient and its Authorized Users will stop using the Network.

10.5 Effect of Termination.

(a) Rights and Duties. Any termination will not alter the rights or duties of the parties with respect to a Data Exchange conducted before termination or with respect to fees outstanding and payable under this Agreement. Upon termination of this Agreement, Sections 7 (Proprietary Information), Section 10 (Termination), Section 11 (Limited Warranties and Disclaimers), Section 12 (Limitation of Liability ;Indemnification); Section 14.7 (Notices), Section 14.9 (No Relationship between Participants; No Third Party Rights); Section 14.12 (Dispute Resolution), and any other obligations that by their nature extend beyond termination, cancellation or expiration of this Agreement, will survive such termination, cancellation or expiration and remain in effect.

(b) Return of Proprietary Information; Software; Fees. Promptly following termination, each party will return to the other all tangible copies of Proprietary Information belonging to the other or certify the permanent and irreversible destruction of such Proprietary Information if agreed to by the party who originated the Proprietary Information. Within the later of 30 days of termination or until any transition of the services and the migration of the Data to another vendor is completed, in accordance with Section 8.4 of the Hosting Agreement, Participant will de-install and return to HINAz all software provided by HINAz to Participant under this Agreement. If Participant has prepaid any Fees or Expenses as of the termination, Participant will be entitled to a pro rata refund of such advance payment.

11.0 LIMITED WARRANTIES AND DISCLAIMERS

11.1 HINAz warrants that:

(a) The Online Technology will be free from defects in materials and workmanship and will operate in accordance with the specifications provided by Axolotl. If the Online Technology fails such warranty, HINAz will repair the defect or provide a reasonable work-around.

(b) HINAz Services will be performed in a competent and professional manner in accordance with industry standards and practices and professional standards generally applicable to

such services; provided, however, that where this Agreement specifies a particular standard or criteria for performance, this warranty is not intended to and does not diminish that standard or criteria for performance.

(c) Each of the HINAZ personnel and the subcontractors and agents they hire will have the proper skill, training, and background to perform his or her assigned tasks.

(d) The Network will accurately display Data as provided by Data Supplier. If the Network fails to accurately display such Data, HINAZ will repair the defect or provide a reasonable work-around.

11.2 HINAZ MAKES NO REPRESENTATION OR WARRANTY THAT THE DATA PROVIDED BY PARTICIPANTS WILL BE TIMELY, CORRECT, OR COMPLETE.

11.3 Other than as provided in this Section 11, HINAZ DISCLAIMS ALL OTHER WARRANTIES REGARDING ANY PRODUCT, SERVICES, OR DATA PROVIDED PURSUANT TO THIS AGREEMENT INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

12.0 LIMITATION OF LIABILITY; INDEMNIFICATION

12.1 Limitation of Liability. Neither HINAZ nor Participant will be liable to the other for any special, incidental, exemplary, indirect, consequential, or punitive damages (including loss of use or lost profits) arising out of or in connection with claims relating to HINAZ's or Participant's acts or omissions under this Agreement, including but not limited to claims arising from any delay, omission or error in a Data Network, provision or receipt of Data, or the handling or storage of Data, or, whether such liability arises from any claim based upon contract, warranty, tort (including negligence), product liability or otherwise, and whether or not either party has been advised of the possibility of such loss or damage.

12.2 Release of Liability for HINAZ. Notwithstanding Section 12.1, Participant releases HINAZ from any claims arising out of any inaccuracy or incompleteness of Data submitted by a Data Supplier, except in circumstances where HINAZ received accurate and correct data from a Data Supplier but delivered inaccurate and incorrect data to a Data Recipient, or those arising out of HINAZ's gross negligence. Participant also releases HINAZ from any claims relating to clinical, medical or other decisions related to the treatment of a patient, including those arising out of the unavailability of Data through the Network, except for those arising out of HINAZ's gross negligence. Participant releases HINAZ from any liability associated with Participant's direction to HINAZ to release Data under Section 2.2(c) above.

12.3 Release of Liability for Data Suppliers. Notwithstanding Section 12.1, HINAZ releases Data Supplier from any claims arising out of any inaccuracy or incompleteness of Data submitted by the Data Supplier, except those arising out of HINAZ's gross negligence.

12.4 Indemnification.

(a) **Intellectual Property Infringement:** HINAZ will indemnify and hold harmless Participant and its Authorized Users from and against any demand, suit, action, or proceeding brought by any third party arising in connection with a claim or allegation that the Online Technology, any

software or documentation provided to Participant or its Authorized Users, or the Services, infringe any intellectual property rights including, but not limited to, any patent, copyright, trademark, service mark, mask work, or other right (collectively, a "Claim"), and any damages, costs, and expenses (including reasonable attorneys' fees and settlement costs, as applicable) (collectively, "Losses") sustained or incurred by Participant in connection with Claim; provided that Participant gives HINAZ prompt written notice of Claim, sole authority to defend or settle Claim (except the authority to bind Participant to perform any act or pay any sum and except where the resolution names Participant or Participant's Authorized Users as culpable without Participant's advance written consent) and reasonable assistance in defending the claim. Participant will have the right to retain counsel of its own choosing at its sole cost at any time except that Participant's legal expenses in exercising this right will be subject to indemnification to the extent that (a) HINAZ fails or refuses to assume control over the defense of the Claim within a reasonable time period; (b) Participant deems it reasonably necessary to file an answer or take similar action to prevent the entry of a default judgment, temporary restraining order, or preliminary injunction against it; or (c) representation of both parties by the same counsel would, in the opinion of that counsel, constitute a conflict of interest. THIS SECTION 12.3(a) SETS FORTH THE COMPLETE POTENTIAL LIABILITY OF HINAZ WITH RESPECT TO INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS.

(b) Indemnification for Breach of Agreement and Violation of Law.

(i) To the extent permitted by law, Participant will indemnify and hold harmless HINAZ, its employees and agents from any damages, expenses, including reasonable attorneys fees and settlement costs, as applicable (collectively "Losses"), from such portions of any demand, suit, action, or proceeding (collectively, "Claim") by third parties arising from Participant's or its Authorized Users' breach of this Agreement, including without limitation the unauthorized or improper use of the Network, the use or disclosure of Data for any purpose other than a Permitted Use, or violation of applicable law, provided that HINAZ notifies Participant in writing promptly upon discovery of a Claim and gives Participant complete authority and control of, and full cooperation with, the defense and settlement of such Claim. HINAZ will have the right to retain counsel of its own choosing at its sole cost at any time. In no event may Participant agree to a settlement or other resolution of such claim that names HINAZ as culpable absent HINAZ's prior written consent.

(ii) HINAZ will indemnify and hold harmless Participant, its Authorized Users, and their employees and agents from any damages, expenses, including reasonable attorneys fees and settlement costs, as applicable (collectively "Losses"), from such portions of any demand, suit, action, or proceeding (collectively, "Claim") by third parties arising from HINAZ's breach of this Agreement, including without limitation, the unauthorized or improper use of the Network, use or disclosure of Data for any purpose other than a Permitted Use or as otherwise allowed under this Agreement, or violation of applicable law, provided that Participant notifies HINAZ in writing promptly upon discovery of any such claim and gives HINAZ complete authority and control of, and full cooperation with, the defense and settlement of such claim. Participant will have the right to retain counsel of its own choosing at its sole cost at any time. In no event may HINAZ agree to a settlement or other resolution of such claim that names Participant or its Authorized Users as culpable absent Participant's prior written consent.

12.5 Not a Medical Service. The Network does not make clinical, medical or other decisions. The Network is not a substitute for professional medical judgment applied by Participant or its Authorized Users.

12.6 Unavailability of Network. Data Recipients who are Health Care Providers understand and agree that, during suspension or interruption of Network availability, Health Care Provider may not be able to obtain or access patient health information from the Network and Health Care Provider shall conduct its operations without such Network access.

13.0 INSURANCE

13.1 HINAz Insurance. HINAz will maintain in effect policies of commercial general liability insurance with limits of not less than two million Dollars (\$ 2,000,000) per occurrence and four million Dollars (\$ 4,000,000) in the aggregate, and liability insurance covering direct and indirect damages arising from the intentional or unintentional breach or disclosure of Data or Proprietary Information by HINAz and its employees or contractors, with limits not less than five million Dollars (\$ 5,000,000) per occurrence, and not less than five million Dollars (\$ 5,000,000) in the aggregate, each of which shall (1) be issued by an insurance company with policy holder ratings no lower than "A" and financial ratings not lower than "XII" in the latest edition of Best's Insurance Guide in effect as of the Effective Date; and (2) require no less than 30 days written notice to Participant prior to cancellation or expiration. HINAz shall furnish certificates of insurance to Participant upon request. HINAz will require its subcontractors, if any, to comply with this Section, or shall ensure that HINAz insurance covers the work performed by its subcontractors.

13.2 Data Recipient Insurance. Data Recipient will maintain in effect policies of professional liability insurance with limits of not less than 1 million Dollars (\$ 1,000,000) per occurrence and 3 million Dollars (\$ 3,000,000) in the aggregate. Such coverage may be in the form of a self-insurance program.

14.0 GENERAL PROVISIONS

14.1 No Exclusion. HINAz represents and warrants to Participant, and Participant represents and warrants to HINAz, that neither party (nor their respective employees or agents providing services under this Agreement) have been placed on the sanctions list issued by the office of the Inspector General of the Department of Health and Human Services pursuant to the provisions of 42 U.S.C. 1320a(7), nor have been excluded from government contracts by the General Services Administration or have been convicted of a felony or any crime relating to health care. HINAz and Participant will provide one another immediate written notice of any such placement on the sanctions list, exclusion or conviction. Participant may terminate this Agreement immediately upon notice if HINAz becomes sanctioned, excluded or convicted as contemplated by this provision. HINAz will require this representation and warranty from all subcontractors.

14.2 Severability. Any provision of this Agreement that is determined to be invalid or unenforceable will be ineffective to the extent of such determination without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such remaining provisions, unless this Agreement fails of its essential purpose, or one party is as a result treated inequitably, in which case the parties will negotiate in good faith revisions to the terms of this Agreement to permit the accomplishment of the purposes of this Agreement, and to treat each party equitably.

14.3 Entire Agreement. This Agreement constitutes the complete agreement of the parties relating to the matters specified in this Agreement and supersedes all earlier representations or agreements with respect to the subject matter of this Agreement, whether oral or written with respect to such matters, including any other Participation Agreement previously executed between Participant

and HINAz. No oral modification or waiver of any of the provisions of this Agreement is binding on either party.

14.4 Assignment. Neither HINAz nor Participant may assign its rights or obligations under this Agreement without the advance written consent of the other party, except for assignment to a parent, subsidiary or affiliate wholly owned by the party, or upon a change of control or ownership of the party.

14.5 Governing Laws. This Agreement is governed by and interpreted in accordance with Arizona laws, without regard to its conflict of law provisions. The parties agree that jurisdiction over any action arising out of or relating to this Agreement shall be brought or filed in the State of Arizona.

14.6 Force Majeure. No party is liable for any failure to perform its obligations under this Agreement, where such failure results from any act of God or other cause beyond such party's reasonable control. Notwithstanding the foregoing, HINAz shall establish, test, and implement as appropriate disaster recovery and continuity of operations plans, or shall have its contractors do so, and this provision shall not be deemed or interpreted to forgive, or prevent recovery of damages as a result of, failure of HINAz to do so.

14.7 Notices. All notices, requests, demands, and other communications required or permitted under this Agreement will be in writing. A notice, request, demand, or other communication will be deemed to have been duly given, made and received: (a) when personally delivered; (b) on the day specified for delivery when deposited with a courier service such as Federal Express for delivery to the intended addressee; or (c) three business days following the day when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below in the signature blocks. Nothing in this section will prevent the parties from communicating via electronic mail, telephone, facsimile, or other forms of communication for the routine administration of the Network.

14.8 No Agency. HINAz provides the Network services to Participant but does not act as Participant's agent. Participant will not be deemed an agent of another Participant as a result of participation in this Agreement.

14.9 Use of Trademarks and Tradenames. Nothing in this Agreement shall be deemed to give either party any right to use the other party's trademarks or trade names without the other party's prior written consent. Notwithstanding the foregoing, HINAz may list Participant as a participant in HINAz, and may otherwise disclose to third parties the fact that Participant is a participant and Participant may disclose its participation in HINAz. In the case of Participant's logos or trademarks or other uses of Participant's names, any use by HINAz must be expressly approved in writing by Participant.

14.10 No Relationship between Participants; No Third Party Rights. Nothing in this Agreement confers any rights or remedies under this Agreement on any persons other than HINAz and Participant and the Authorized Users, and nothing in this Agreement is intended to create a contractual relationship or otherwise affect the rights and obligations among Participants. Nothing in this Agreement will give any third party, any right of subrogation or action against any party to this Agreement, and no Participant shall gain any subrogation right against another Participant solely as a result of this Agreement.

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14.11 Antitrust Compliance. Participant agrees not to use the information available through the Network or to which it has access under this Agreement to evaluate or set its own prices for services, or otherwise in violation of state or federal antitrust laws and regulations. Participant also agrees not to discuss prices with other Participants or to make any effort collectively to establish prices with other participants in violation of law.

14.12 Terms Applicable Only to Agreements with Participant That Is a State or County Government Agency.

(a) Non-Discrimination: HINAZ agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive order 99-4 and amends Executive order 75-5 and may be viewed and downloaded at the Governor of the State of Arizona's website http://www.azgovernor.gov/dms/upload/EO_2009_09.pdf which is hereby incorporated into this contract as if set forth in full herein. During the performance of this contract, HINAZ shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

(b) Cancellation for Conflict of Interest: This Agreement is subject to cancellation for conflict of interest pursuant to ARS § 38-511, the pertinent provisions of which are incorporated into this Agreement by reference.

(c) Non-Appropriation. Notwithstanding any other provision in this Agreement, this Agreement may be terminated if for any reason, there are not sufficient appropriated and available monies for the purpose of maintaining the county or other public entity obligations under this Contract. In the event of such termination, Participant shall have no further obligation to HINAZ, other than to pay for services rendered prior to termination.

(d) Legal Arizona Workers Act Compliance:

(i) HINAZ hereby warrants that it will at all times during the term of this Agreement comply with all federal immigration laws applicable to HINAZ's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). HINAZ shall further ensure that each subcontractor who performs any work for HINAZ under this contract likewise complies with the State and Federal Immigration Laws. Participant shall have the right at any time to inspect the books and records of HINAZ and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws. Any breach of HINAZ's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Agreement subjecting HINAZ to penalties up to and including suspension or termination of this Agreement. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, HINAZ shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, as soon as possible so as not to delay project completion.

(ii) HINAZ shall advise each subcontractor of Participant's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "SUBCONTRACTOR hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to SUBCONTRACTOR's employees, and with the

requirements of A.R.S. § 23-214 (A). SUBCONTRACTOR further agrees that COUNTY may inspect the SUBCONTRACTOR'S books and records to insure that SUBCONTRACTOR is in compliance with these requirements. Any breach of this paragraph by SUBCONTRACTOR will be deemed to be a material breach of this contract subjecting SUBCONTRACTOR to penalties up to and including suspension or termination of this contract."

(iii) Any additional costs attributable directly or indirectly to remedial action under this Section shall be the responsibility of HINaz. In the event that remedial action under this Section results in delay to one or more tasks on the critical path of Participant's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which HINaz shall be entitled to an extension of time, but not costs.

(d) Scrutinized Business Operations. Pursuant to A.R.S. §§ 35-391.06 and 393.06, HINaz hereby certifies that it does not have scrutinized business operations in Iran or Sudan. The submission of a false certification by contractor may result in action up to and including termination of this contract.

14.13 Dispute Resolution: The parties agree that if there is a dispute between the parties arising as a result of this Agreement (Dispute), each Party will designate an individual with settlement authority to meet and confer in good faith in an attempt to resolve any Dispute. If the Dispute is not resolved within 45 days after the Parties first meet and confer and the parties wish to pursue the Dispute, the Parties may agree to refer the Dispute to informal and nonbinding mediation before a mutually acceptable independent mediator before taking formal legal action. The parties will split equally the costs of such mediation; provided, however, that each party will pay its own fees and costs incurred in connection with preparation for and participation in the mediation. Information shared during dispute resolution attempts cannot be introduced as evidence in subsequent related proceedings.

14.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. Facsimile signatures and signatures transmitted by email after having been scanned shall be accepted as originals for the purposes of this Agreement.

MARICOPA COUNTY, ARIZONA

Printed Name: Wes Baysinger

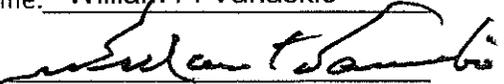
Signature: 

Title: Chief Procurement Officer

Date: 3/8/13

HEALTH INFORMATION NETWORK OF ARIZONA

Printed Name: William F. Vanaskie

Signature: 

Title: Chairman

Date: 08.09.2013

Information for notices under this Agreement:

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Address: _____

Address: _____

Additional contact information, if any, related to receipt of notice of subpoena or court order:

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Address: _____

Address: _____

Additional information for routine communications (not formal notices under Agreement):

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Address: _____

Address: _____

Email: _____

Email: _____

Telephone _____

Telephone: _____

Fax: _____

Fax: _____

EXHIBIT A

BUSINESS ASSOCIATE AGREEMENT

HINAz and Participant agree to the terms and conditions of this Business Associate Agreement in order to comply with the use and handling of Protected Health Information (“PHI”) under the HIPAA Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subpart E (“Privacy Rule”) and the HIPAA Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C (“Security Rule”), and the HIPAA Breach Notification Rule, 45 C.F.R. Part 164, Subpart D (“Breach Notification Rule”), all as amended from time to time. In addition, HINAz and Participant agree to these terms to satisfy the requirements of 42 C.F.R. Part 2 (“the Part 2 Regulations”) for HINAz to act as a Qualified Service Organization on behalf of Participant, in the event Participant is a substance abuse treatment program under the Part 2 Regulations. The Participants in HINAz do not become Business Associates of each other by virtue of this Agreement.

Unless otherwise provided, all capitalized terms in this Business Associate Agreement will have the same meaning as provided under the Privacy Rule, Security Rule and Breach Notification Rule. For purposes of this Business Associate Agreement, Protected Health Information (“PHI”) includes only individually identifiable health information handled by HINAz that is provided to the Network by Participant as a Data Supplier, or that is otherwise received from, or created or received by, HINAz on behalf of Participant.

1. USES AND DISCLOSURES OF PHI

1.1 Obligations under HIPAA as a Business Associate: HINAz will use or disclose PHI only for those purposes necessary to perform Services under the Agreement, as otherwise expressly permitted in the Agreement, or as required by law, and will not further use or disclose PHI. HINAz agrees that anytime it provides PHI to a subcontractor or agent to perform Services or that creates, receives, maintains or transmits PHI on behalf of HINAz, HINAz first will ensure that each such subcontractor or agent agrees to the same terms, conditions, and restrictions on the use and disclosure of PHI as contained in this Business Associate Agreement. To the extent HINAz is to carry out Data Supplier’s obligations under the Privacy Rule, HINAz will comply with the Privacy Rule requirements applicable to Data Supplier in the performance of those obligations.

1.2 Obligations under the Part 2 Regulations as a Qualified Service Organization: To the extent the PHI received by HINAz is protected by the Part 2 Regulations (called “Part 2 Covered Information”), HINAz acknowledges that in receiving, storing, processing or otherwise dealing with Part 2 Covered Information, HINAz is fully bound by the Part 2 Regulations. If necessary, HINAz will resist in judicial proceedings any efforts to obtain access to Part 2 Covered Information except as permitted by the Part 2 Regulations.

2. HINAZ USE OR DISCLOSURE OF PHI FOR HINAZ’S OWN PURPOSES

HINAz may use or disclose PHI for HINAz’s management and administration or to carry out its legal responsibilities, including audit, legal defense and liability, and record keeping, and similar obligations. HINAz may disclose PHI to a third party for such purposes if: (1) the disclosure is required

by law; or (2) HINAz secures written assurance from the receiving party that the receiving party will: (i) hold the PHI confidentially; (ii) use or disclose the PHI only as required by law or for the purposes for which it was disclosed to the recipient; and (iii) notify HINAz of any breaches in the confidentiality of the PHI. HINAz also may aggregate the PHI with other PHI in its possession or otherwise de-identify PHI according to the requirements of 45 C.F.R. §164.514(b).

3. SAFEGUARDS

HINAz will implement and maintain appropriate safeguards to prevent any use or disclosure of PHI for purposes other than those permitted by this Business Associate Agreement. HINAz also will implement administrative, physical and technical safeguards to protect the confidentiality, integrity, and availability of any electronic PHI that HINAz creates, receives, maintains, and transmits on behalf of Participant. HINAz will comply with the Security Rule as of the date by which it is required to comply with such regulations.

4. UNAUTHORIZED USES OR DISCLOSURES AND BREACHES

4.1 Reporting a Use or Disclosure Not Permitted by This Agreement. HINAz will report in writing to Data Supplier any Use or Disclosure of PHI for purposes other than those permitted by this Agreement within 5 business days of Business Associate's learning of such Use or Disclosure.

4.2 Reporting Security Incidents. HINAz will report to a Data Supplier any successful unauthorized access, use, disclosure, modification, or destruction of Data Supplier's electronic PHI or interference with system operations in an information system containing Data Supplier's electronic PHI of which HINAz becomes aware within 5 business days of HINAz's learning of such event. Where feasible, HINAz will also report to a Data Supplier the aggregate number of unsuccessful attempts to access, use, disclose, modify, or destroy electronic PHI or interfere with system operations in an information system containing electronic PHI of which HINAz becomes aware, provided that such reports will be provided only as frequently as the parties mutually agree, but no more than once per month. If the definition of "Security Incident" under the Security Rule is amended to remove the requirement for reporting "unsuccessful" attempts to use, disclose, modify or destroy electronic PHI, HINAz will cease reporting unauthorized attempts as of the effective date of such amendment.

4.3 Reporting Breaches of Unsecured PHI. If HINAz discovers a Breach of Unsecured PHI that HINAz accesses, maintains, retains, modifies, records, stores, destroys, or otherwise holds, uses or discloses, as defined in this Subsection, HINAz will report such Breach as required by the Breach Notification Rule, and as provided in this Section.

(1) Reporting to Participant.

(a) HINAz will report a Breach of a Data Supplier's Unsecured PHI to the Data Supplier within 5 days of HINAz's discovery of the Breach. If a Data Recipient caused the Breach of Unsecured PHI, HINAz will also report such Breach to the Data Recipient within 5 days of HINAz's discovery of the Breach. HINAz learns of the Breach as set forth in 45 C.F.R. § 164.410.

(b) Such report to Data Supplier or Data Recipient will include the following information, if known at the time of the report: (i) the identification of each individual whose Unsecured PHI has been, or is reasonably believed by HINAz to have been, accessed, acquired, or

disclosed during the Breach, including their contact information if available to HINAz; (ii) a brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known; (iii) a description of the types of Unsecured PHI involved in the Breach (such as name, Social Security number, date of birth, home address, or account number); (iv) a brief description of what HINAz is doing or has done to investigate the Breach, mitigate losses to individuals and Participant, and protect against any further breaches; (v) contact procedures for individuals to ask questions or learn additional information about the Breach, which shall include a toll-free telephone number and an e-mail, website, or postal address at HINAz; and (vi) identification of the names and respective titles of those who conducted the investigation on the part of HINAz, be delivered on HINAz's official letterhead, signed by an officer/director of HINAz or other responsible person and contain appropriate contact information should Data Provider or Data Recipient need further clarification regarding the content of the report. If HINAz will report to individuals directly under Subsection (2), HINAz will also include its draft notice, and will allow Participant to: (i) provide input on, review, and approve the draft notice; or (ii) conduct its own reporting, if so desired. If the information required by this Section is not known at the time of the initial report to Data Supplier or Data Recipient, HINAz will follow up with an additional report or reports when the information is known.

(2) Reporting to Individuals, Media and HHS. If there is a Breach of Unsecured PHI involving more than one Data Supplier or Data Recipient, HINAz will conduct the reporting on behalf of such Data Suppliers and Data Recipients, so as to avoid duplicative reporting (so long as Participant has approved of the draft notice as set forth in Subsection (1) above). However, a Data Supplier or Data Recipient may conduct its own reporting if desired.

(a) Timing of Report: HINAz will make the reports required by this Section without unreasonable delay after approval of the content under this Section by Data Supplier or Data Recipient, if required, and in no event later than 60 days after HINAz learns of the breach. However, HINAz may delay reporting if a law enforcement official determines that reporting will impede a criminal investigation or cause damage to national security, in which case reporting may be delayed in the same manner as provided under 45 C.F.R. § 164.528(a)(2).

(b) Content of Report: HINAz will include the following information in the report to individuals: (i) a brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known; (ii) a description of the types of Unsecured PHI involved in the Breach (such as name, Social Security number, date of birth, home address, or account number); (iii) a brief description of what HINAz is doing or has done to investigate the Breach, mitigate losses to individuals, and protect against any further breaches; (iv) steps individuals should take to protect themselves from potential harm resulting from the Breach; and (v) contact procedures for individuals to ask questions or learn additional information about the Breach, which shall include a toll-free telephone number and an e-mail, website, or postal address at HINAz. If the report mentions a Data Supplier or Data Recipient, such Data Supplier or Data Recipient will have the right to approve the content of the report in advance, which approval Data Supplier or Data Recipient will not unreasonably withhold.

(c) Reporting to Individuals: HINAz will provide the report to individuals in writing, by first class mail, sent to the last known address of the individual (or to the next of kin or personal representative if the individual is deceased). If an individual has specified a preference for electronic mail in communications with HINAz, then HINAz will use electronic mail. In cases where there is insufficient or out-of-date information to provide the written notice required, HINAz will include a conspicuous posting on its website; or if HINAz does not have a website, provide the required

information to major print or broadcast media in geographic areas where the individuals affected by the breach likely reside. The website posting or media announcement will include a toll-free phone number so that affected individuals may learn whether or not their Unsecured PHI may have been included in the Breach.

(d) Reporting to the Media: If HINAz believes that the Breach of Unsecured PHI involved more than 500 individuals residing within a State, HINAz will also provide notice to prominent media outlets serving that State. The media announcement will include a toll-free phone number so that individuals may learn whether or not their Unsecured PHI may have been included in the Breach.

(e) Reporting to HHS: If HINAz believes that the Breach of Unsecured PHI involved 500 or more individuals, HINAz will also notify the Secretary of HHS, and will indicate in its notice to HHS that the report is made on behalf of participants in HINAz to avoid duplicative reporting.

(4) Reimbursement to Participant: In the event that a HINAz Participant is required by law to notify individual(s) of a Breach that is caused by HINAz or its employees or subcontractors, HINAz will pay the costs and fees related to timely notification. If the PHI subject of the Breach contains: (i) the individual's first initial or first name, last name, and social security number; (ii) the individual's first initial or first name, last name, and driver's license or state identification card; (iii) the individual's first initial or first name, last name, account number, credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account; and/or (iv) the individual's first initial or first name, last name, and PHI, then HINAz and Participant shall work together to structure a credit monitoring offering commensurate to the risk posed by the Breach and HINAz shall, in any event, pay the costs of credit monitoring for one (1) year for such individuals.

(5) Responsibility of Participant. If HINAz has a Breach of Unsecured PHI that is caused by a Participant or a Participant's employees, subcontractors or agents, HINAz's obligations under subsections (2) – (4) of this Section do not apply.

5. INDIVIDUAL ACCESS TO PHI

If an individual makes a request to HINAz for access to PHI, HINAz will within 10 business days forward such request in writing to Data Supplier. Data Supplier will be responsible for making all determinations regarding the grant or denial of an individual's request for PHI and HINAz will make no such determinations.

6. AMENDMENT OF PHI

If an individual makes a request to HINAz for amendment of PHI, HINAz will within 10 business days forward such request in writing to Data Supplier. Data Supplier will be responsible for making all determinations regarding amendments to PHI and HINAz will make no such determinations. Data Supplier will promptly transmit the Data as a corrected report or value and notify HINAz of any such corrections pursuant to HINAz Policies and Standards.

7. ACCOUNTING OF DISCLOSURES OF PHI

If an individual makes a request to HINAz for an accounting of disclosures of PHI, HINAz will within 10 business days forward such request in writing to Data Supplier, along with any information related to HINAz's disclosures of PHI, if any, that must be included to respond to individual requests for accounting of disclosures of PHI under applicable law.

8. ACCESS TO BOOKS AND RECORDS

HINAz will make its internal practices, books and records on the use and disclosure of PHI available to the Data Provider and to the Secretary of the Department of Health and Human Services to the extent required for determining Participant's compliance with the Privacy Rule. Notwithstanding this provision, no attorney-client, accountant-client or other legal privilege will be deemed waived by HINAz or Participant as a result of this Section.

9. TERMINATION

Participant may terminate the Agreement upon written notice to HINAz if HINAz breaches a material term of this Business Associate Agreement and HINAz fails to cure the breach within 30 days of the date of notice of the breach. Further, Participant shall have all termination rights as required and set forth at 45 C.F.R. §§ 164.504(e)(1) and 164.314(a)(1).

10. RETURN OR DESTRUCTION OF PHI

Upon termination of the Agreement, if feasible, HINAz will return or destroy all PHI received from, or created or received by HINAz on behalf of, the Participant that HINAz still maintains in any form and retain no copies of such information. Notwithstanding the foregoing, Participant understands that PHI provided to the Network may be integrated into the medical record of Data Recipients that access the Network, and into records maintained by HINAz, and it may not be feasible for HINAz to return or destroy PHI that has been thus integrated upon termination of the Agreement. If HINAz does not return or destroy PHI upon termination, HINAz will continue to follow the provision of this Business Associate Agreement and will limit its use or disclosure of PHI to those purposes that make the return or destruction of PHI infeasible.

11. RESTRICTION AGREEMENTS AND CONFIDENTIAL COMMUNICATIONS

HINAz will comply with any agreement that Data Supplier makes that either (i) restricts use or disclosure of Data Supplier's Protected Health Information, or (ii) requires confidential or alternate methods of communication about Data Supplier's Protected Health Information, provided that Data Supplier notifies HINAz in writing of the restriction or confidential or alternate communication obligations that HINAz must follow. Data Supplier will promptly notify HINAz in writing of the termination of any such restriction agreement or confidential or alternate communication requirement and, with respect to termination of any such restriction agreement, instruct HINAz whether any of Data Supplier's Protected Health Information will remain subject to the terms of the restriction agreement.

12. CONFLICTS

The terms and conditions of this Business Associate Agreement will override and control any conflicting term or condition of the Participation Agreement. All nonconflicting terms and conditions of the Participation Agreement remain in full force and effect.

EXHIBIT B

SERVICES AND SERVICE LEVEL AGREEMENT

1. Through an Application Hosting and Systems Management Agreement (the "Hosting Agreement") with Axolotl Inc, a subsidiary corporation of OptumInsight ("Axolotl"), HINAz (and through HINAz, the HINAz Participating Entities) will receive certain services from Axolotl as specified in Section 2 of this Exhibit (collectively the "Online Technology"). Axolotl will offer the Online Technology on a Software as a Service (SaaS) basis on a secure, encrypted instance. Services listed in this document will be augmented as and when technologies permit and are offered by Axolotl.

2. Services:

2.1 Implementation Support: Axolotl will make available the following Implementation Support Services to HINAz and the Participating Entities:

- i. Establish environments (test, stage, production);
- ii. Establish web presence;
- iii. Establish VPNs to each contributing source in conjunction with source entity;
- iv. Configure environments based on HINAz decisions regarding privacy, security, and consent policies;
- v. Conduct planning and decision sessions;
- vi. Jointly document transactions;
- vii. Jointly document conversion requirements;
- viii. Establish real-time transactions (HL7:ADT, MDM, ORU, NCPDP, etc);
- ix. Test and validate real-time transactions;
- x. Test and validate load of historical laboratory information from Sonora Quest;
- xi. Establish batch transactions (health plan membership);
- xii. Test and validate batch transactions;
- xiii. Setup data consumers (EDs, community physicians, and health plans for member admissions);
- xiv. Train data consumers.

2.2 Operations Support: Axolotl will make available the following Operations Support Services to HINAz and Participating Entities:

- i. Support for the test, stage and production SaaS environments for HINAz;
- ii. Support production environment on a 24x7 basis including web based trouble ticket logging that, depending on the severity of the problem creates a response;
- iii. Daily backup of production environment;
- iv. Transaction logs of all database updates that occur between daily backups;
- v. Periodic performance management;
- vi. Disaster Recovery as required in the event of catastrophic failure of the primary production site location using an alternate recovery site;

vii. Maintain datasets (e.g. authorized users) with data supplied by HINAz or HINAz Participants.

2.3 Professional Services: In addition to the Implementation Services and Operational Services, HINAz may ask Axolotl to provide additional professional services ("Professional Services"). Such Professional Services must be approved in writing in advance by HINAz and will be billed at the rates as specified in the Hosting Agreement.

3. Data Feeds: Axolotl will accept existing HL7 data feeds for each of the transactions types and HL7 version/formats listed below or will support the Axolotl standard HL7 transactions, as reflected in the Axolotl HL7 Specification, or IHE Technical Framework, as specified in the Hosting Agreement.

Specifically, Axolotl will accept the following data feeds:

3.1 Patient demographics (ADT) and Documents (MDM) for Phase 1 Participating Entities including ADT inbound (A01/A02/A03/A04/A08) -- HL7 2.x (preferably from a copy of an existing ADT feed).

If existing interfaces are transmitting documents other than discharge summaries via the MDM/ORU transaction, Axolotl will also consume these documents.

3.2 Laboratory results (ORU) for Sonora Quest, LabCorp, and hospitals (which may be done by batch submission on an interim basis)

- i. HL7 2.x batch or real-time transmission
- ii. Axolotl recommends moving to a real-time transfer of information that include both preliminary and partial reports (not just final reports on a requisition basis). However, on an interim basis, Axolotl will work with SQL to accomplish the historical and current data load from available sources of information.

3.3 NCPDP transactions from Surescripts / RxHub for:

- i. Transactions
- ii. Medication History for the prior two years subject to availability at Surescripts
- iii. ePrescribing
- iv. General Information
- v. Surescripts / RxHub will provide dispense and PBM history for all patients.
- vi. Medication history will be provided for up to two prior years if it is available from the contributing pharmacies and PBMs.
- vii. Medication history is requested in real-time from Surescripts/RxHub at the time a user performs a Consult medication history query. Results are stored, or updated, as a permanent part of the patient record.
- viii. Can provide history on any patient contained in the Surescripts data base – must supply basic patient demographics for query.
- ix. Subject to a separate agreement between Axolotl and Surescripts, Axolotl will make available medication history in a batch mode that can be made available to health plans for care coordination and case management purposes for medications history during the eligibility period of the members in the plan. Axolotl will notify HINAz of such an

agreement. Any charges associated with this data feed will be met on terms that will be arranged at the time.

3.4 Membership information from Health Plans

- i. Patient demographics via Axolotl defined batch and/or transactions
- ii. Initially, each Health Plan will provide a full set of demographics on all members and scheduled updates, additions and deletions. If a Health Plan opts to furnish the data in a manner other than a periodic batch dump, any additional costs incurred by Axolotl for setting up the process will be borne entirely by the concerned Health Plan.

3.5 Data Elements: Phase I will include exchanging the following patient information, to the extent it is available from a contributing source, and transactions. <Contributing Source>, (Transaction)

- i. Patient demographics <Hospital > (HL7 2.4 ADT)
- ii. Medication list < Surescripts > (Surescripts NCCCP)
- iii. Problem list / Diagnosis < Hospital > (ADT/CCD/CCR)
- iv. Allergies <Hospital> (ADT/CCD/CCR)
- v. Radiology Results <Hospital> (HL7 ORU) This will include commercial entities as they contract and join HINAz.
- vi. Transcribed Reports <Hospital> (HL7 ORU/MDM)
- vii. Lab results from all participating hospitals and participating tertiary labs (HL7 ORU) This will include commercial entities as they contract and join HINAz.
- viii. ED encounter summary <Hospital> (MDM/ORU/CCD/CCR)
- ix. All reports <Hospital> (MDM/ORU/CCD/CCR). This includes all discharge summaries, discharge reports, and discharge medications and discharge instructions from the hospital as and when these are made available by each hospital.
- x. ADT transactions recording admits, discharge and transfers to and from all in-patient, ED, and observation services at participating hospitals. Transfers will include all step-up and step-down transfers within each hospital.
- xi. Health plan membership demographics <Health Plan> (flat file)
- xii. EMR-Lite data
- xiii. The following data will be included as and when possible
 - CCD from EMR-Lite when available
 - Birth results (including but not limited to gestational age, birth weight, date of birth, DRG) as and when these data are made available by the hospital
 - Durable Medical Information dispensed information as and when these are made available in electronic form by the hospitals
 - Public patient data such as immunizations and EPSDT forms when these are available, with special reference to their flow into appropriate public health agencies.
 - Referral requests and referral reports as and when these are made available

4. Health Plan Reports: Except where prohibited by law, Axolotl will provide all of the above data from existing HIE records to Health Plans that provide membership information, for uses by the Health Plans that are defined as "Permitted Uses" under the Agreement.

To receive the above-listed information, the individual must be a person for whom the Health Plan is currently responsible to pay for health care or provide care management services, or for whom the health plan is contracted to supply payment services or care management services as the Business Associate of another Covered Entity. HINAz may only make available patient data originating in the period when the Plan is responsible to pay for health care or provide care management services for the patient. Verification of the Health Plan's status to receive data for any patient will be done by verifying entries in both the ADT and the Plan's membership list. If one of the two sources fails to authenticate the relationship between patient and Health Plan, the patient's data will not be transferred except following manual verification with the Health Plan.

Axotl will make the data available to health plans through a virtual repository that can be accessed either using the VHR or through HL7 transactions at any time. Repository data will be updated at least daily.

4.1 All participating clinicians in the community will have available all of the clinical information for any patient that they have a care relationship with. Clinicians using the EMR-Lite offered by HINAz/Axotl will have their data stored at the HIE level. Clinicians will have the responsibility of ensuring their eligibility to receive a patient's data, and HINAz will use a click-wrap agreement to implement this responsibility. Such data will be available to other legitimate participants in the HIE. Axotl will provide integration with certified EHRs in use at Participating clinics and hospitals so that patient data may be pushed to the EHR. Clinicians may at their choice opt to access the system through single sign on from their EHR into the portal. The connection from the HIE to the EHR used by community physicians' clinics will be undertaken for a fixed fee all \$4500. This fee does not include charges that may be imposed by EHR vendors for connection fees or other EHR modifications required to connect to the HIE. Single sign-on will be implemented at no charge, but hourly rates will apply for any specialized work required to implement single sign-on for the specific EHR concerned. Implementation of single sign-on may carry a fee imposed by EHR vendor for connection fees or other EHR modifications required to connect to the HIE. Clinicians using the EMR-lite will pay an annual fee of \$600 per physician to HINAz that will be entirely passed through to Axotl.

5. Patient Matching Functionality: Axotl will load patient demographic information into the Axotl Community Master Index (CMI). Axotl will maintain information about providers, the providers' relationships to groups/facilities, and any documented relationships between providers and patients in the Axotl CMI.

6. Participant Edge Servers: Axotl will take responsibility for setting up, maintenance, backup and security of any virtual EdgeServer that will be maintained at Axotl's site. Participants setting up their own physical edge servers at their own sites will be responsible for hardware, maintenance, backup, and security. Axotl will provide the software for operating such edge server.

7. Timing of implementation: Axotl will begin providing Services Implementation as provided in the Hosting Agreement. Phase I is expected to take 90-120 days for the full implementation depending on individual hospital resource availability. The VHR will be available immediately for access to contributing system information as it becomes available.

8. Authorized User Access: Authorized Users who will have access to the VHR include:

8.1 Clinicians employed by Participating Entities' Emergency Department, and clinicians working at such Participating Entities, will be permitted access to the VHR without additional charge.

Physicians affiliated with (but not employed by) Participating Entities will be permitted access to the VHR without additional charge.

Staff at clinics and hospitals who will have role-based access to the system will be provided such access at no additional charge.

9. Service Levels: Axolotl will respond to service issues according to the following priority schedule:

Priority Level	Required Response
Urgent: A problem that prevents users from using the Axolotl service to receive, view or successfully search for current or historical clinical data or demographic data:	An Axolotl technical representative shall log (with date and time-stamp) the receipt of notification of a critical problem and will acknowledge receipt of the notification within fifteen (15) minutes. The logged problem will be assigned an identifying number and an appropriate Axolotl technical representative will be assigned to the problem. Ongoing dialog between the Axolotl representative and a HINAZ representative will be established, and periodic communication will transpire not less frequently than hourly until functionality is restored. The assigned Axolotl technical representative and HINAZ will work exclusively to correct the failure twenty-four (24) hours per day until the failure is corrected.
Routine: A problem that does not prevent user from using the features of the Axolotl service that do not include use of current or historical clinical data:	A Axolotl technical representative will log (with data and time-stamp) the receipt of notification of a routine problem and will acknowledge receipt of this notification by close of business on the next normal business day. The logged problem will be assigned an identifying number and an appropriate Axolotl technical representative will be assigned to the problem. Ongoing dialog between the Axolotl representative and a HINAZ representative will be established, and periodic communication will transpire not less frequently than daily until functionality is restored. The assigned Axolotl and HINAZ representatives will work on a reasonable time-permitting basis eight (8) hours daily during normal business days until the problem is resolved in the reasonable judgment of HINAZ

SERVICE LEVEL AGREEMENTS

This section defines the services levels that Axolotl will provide for each of the deliverable services:

Service	Specific Item	Service Level
NETWORK	Availability (except for planned downtime). "Planned downtime" is least 48 hours notice and only occurring during non-peak hours and limited to 8 hours per month.	99.9%
	Utilization	<80% average at peak 4 hour window
	Failover time	< 30 minutes
HOSTING	Availability (except for planned downtime and failover to backup data center)	99.9%
	Response time	<3 sec average 80% of the time
HELP DESK	Average time in queue	Answer 80% of all calls within 3 minutes
	Average time to return calls from voice mail	Return 80% of all calls left in voice mail within 1 hour
	First Contact Resolution	First Contact Resolution rate 70% of total call volume

Exhibit C

Fees and Payment Schedule

1. **Set-Up Fee.** Client will pay Axolotl a one-time set up fee for each Participating Entity, which will vary depending on the nature of the Participating Entity (hospital/health plan/physician), and the Participating Entity's size (hospitals) (the "Set-Up Fee"). The amount of the Set-Up Fee for each Participating Entity is identified on the spreadsheet attached as Exhibit 5.1(a) (identified as "Interface and Set-Up" in Tab 2). Client will notify Axolotl in the Participation Report (see Section 5 below) when a Participating Entity's Participation Agreement with Client takes effect.
2. **Service Fee.** Client will pay Axolotl a quarterly fee for the Service (the "Service Fee"). The Service Fee for each quarter will be the sum of amounts allocated by Client to facilities (the "Facility Component") and to health plans (the "Health Plan Component") in accordance with Exhibit 5.1. Such amounts will be based on each quarter's participation in the HINAz HIE by individual facilities and health plans under the terms of a Participation Agreement. The exact Service Fee will be calculated in accordance with the formula set forth in Section 4 of this Exhibit 5.1.
3. **Physician Fees.** Client will pay fee for physician access to the Service (the "Physician Access Fee"). The Physician Access Fee for each quarter will be determined based on the participation by physicians and physician groups in the Client's Health Information Exchange, and calculated based on the spreadsheet attached as Exhibit 5.1(b).
4. **Calculation of the Service Fee.** The Service Fee for each quarter will be the total of the Facility Component and the Health Plan Component, as defined below:
 - a. **Facility Component.** The Facility Component is calculated by taking sum of the amounts set forth in each "Infrastructure" line in the column of the designated quarter in Tab 2 of Exhibit 5.1(a) for each facility for which a Participation Agreement is in effect on any day of each quarter. If the facility executed its Participation Agreement during that quarter, the amount will be prorated by month.
 - i. For informational purposes, the amounts in the Infrastructure line for each facility are calculated by multiplying the number of identified beds for each facility times the rate of \$5.00 per month, times 3 to obtain a quarterly amount.
 - ii. The total amounts set forth as the Facility Component in Tab 1 of Exhibit 5.1 are estimated amounts only, based on anticipated participation by the Participating Entities, and the actual amount for each quarter will be calculated as set forth above. As a result, if Participating Entities not identified in Exhibit 5.1 as participating during a particular quarter actually enter into Participation Agreements during that time, the amount of the Facility Component will

increase accordingly, and if any Participating Entity withdraws from participation the amount of the Facility Component will decrease accordingly.

- b. **Health Plan Component.** The Health Plan Component will be equal to the amount of the Facility Component calculated in Section 4.a above; provided that when the amount of the Health Plan Component is allocated among the participating health plans in proportion to their share as identified in Tab 3 of Exhibit 1.5(a), the amount allocated to any health plan may not exceed the charge amount shown on that Tab.
5. **Report of Facility and Health Plan Participation and Calculation of Service Fee.** Within 30 days of the end of each quarter, Client will provide Axolotl with a report indicating the facilities and health plans that had a Participation Agreement with Client during that quarter (the "Participation Report"). The Participation Report will indicate those facilities and health plans that executed a new Participation Agreement during that quarter, and those that terminated their Participation Agreement. The Participation Report will also provide the calculations indicated in Section 4 above and the determination of the Service Fee for that quarter.
6. **Invoicing.** Axolotl will invoice Client for the Set-Up Fees and the Service Fees by the last day of the quarter in which Client's quarterly Participation Report is received (which will be the quarter following the quarter to which the data in the report applies).
7. **Acceptance Withhold.** At the end of each quarter, to the extent that Client has not accepted or has not been deemed to have accepted any element of the Hosted System under Section 2.1 or 2.2 of the Application Hosting and Systems Management Agreement, or any connection to a Participating Entity under Section 2.6 of that Agreement, Client will withhold 10% of the amount due to Axolotl for that quarter. Client will pay the amount of the withhold in full when each such pending item has been accepted under the terms of the Agreement.
8. **Payment Terms.** Client will pay the Service Fee owed (subject to any applicable acceptance withhold) within 60 days of receipt of the Axolotl invoice.
9. **Payment in Full.** The Fees described in this Exhibit 5.1 represent the full and complete payment for all aspects of the Service (including the Installation Fees and the right to use all aspects of the Hosted System, as described in the Agreement). Client will pay no other fees unless specifically identified in a Statement of Work as requiring a separate fee.